

AMERICAN SATELLITE COMPANY

1801 RESEARCH BOULEVARD, ROCKVILLE, MARYLAND 20850-3186 (301) 251-8405



Otto W. Hoernig, Jr.
Vice President
Space Systems

April 16, 1986

STAT

[Redacted]
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. [Redacted]

STAT

I am concerned that the Interagency Group is establishing new national policy governing access to space without considering the needs of or the effects on the commercial satellite communications industry. As I read in the media and hear firsthand the DOT perspective, I am dismayed that the government would propose to "abandon the business of launching commercial and foreign government satellites."

Space commercialization is a very capital intense business and there is little margin for profit. American Satellite Company, a pioneer of satellite communications, began in 1972 and did not become profitable until 1982. Many of our competitors have failed and others are yet to become profitable. Our industry is fragile and is still in its infancy. For continued growth it must have assured, timely and economically affordable access to space.

For the future of our industry and the development of new space-based commerce, a range of affordable launch options must be available. I emphasize that we believe government does have a major role in promoting the commercial use of space and that there is a need for U.S. expendable launch vehicles for commercial application. However, ELVs should be part of a mix of launch vehicles in which the STS remains the primary National Resource. In the long-term an adequate fleet of STS orbiters complemented by a U.S. ELVs are needed to satisfy both commercial and government launch requirements.

The government should not embark on policies to restrict access to space. If the restrictive policy advocated by DOT is adopted the foothold we have on space commercialization and perhaps the satellite communications industry itself may be lost. Government should provide policy and support development efforts that enhance the opportunities to economically access and use space as a resource.

We estimate that only one half of the traffic carried by our satellite (ASC-1) could be transferred to terrestrial communications facilities if satellite communications no longer remained a viable space-based industry. It is the portion that cannot be transferred that carries the most sensitive traffic which supports critical national security and unique satellite communication services.

We request you recommend that the STS remain a commercial satellite launch vehicle, and that a viable ELV industry be developed and phased into a mixed fleet of available launch alternatives to satisfy long-term launch requirements.

Sincerely,

Otto W. Hoernig, Jr.